LOK SABHA

Tuesday, February 25, 1997/Phalguna 6, 1918 (Saka)

The Lok Sabha met at Eleven of the Clock.

[MR. SPEAKER *in the Chair*]

[English]

MEMBER SWORN

Shrimati Hedwig Michael Rego (Nominated Anglo-Indian)]

11.03 hrs.

OBITUARY REFERENCE

MR. SPEAKER : Hon. Members, I have to inform the House with a deep sense of sorrow of the passing away of one of our esteemed friends, Shri Sushil Bhattacharya.

Shri Sushil Bhattacharya was a member of Seventh Lok Sabha representing the Burdwan Parliamentary Constituency of West Bengal during 1980-84.

A prominent trade unionist and social worker, Shri Bhattacharya always endeavoured to focus the problems faced by the working class, He visited Moscow as a delegate of All India Hospital Employees Federation in 1962.

During his parliamentary career, he actively participated in the proceedings of the House and made valuable contributions thereto.

Shri Sushil Bhattacharya passed away on 28 December, 1996 at Calcutta at the age of 75 years.

We deeply mourn the loss of this friend and I am sure that the House will join me in conveying our condolences to the bereaved family.

The House may stand in silence for a short while as a mark of respect to the deceased.

11.04 hrs.

The Members then stood in silence for a short while.

ORAL ANSWERS TO QUESTIONS

11.05 hrs.

Fertilizer Corporation of India units in Rajasthan

*41. COL. SONA RAM CHOUDARY : Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state :

(a) whether Fertilizer Corporation of India at Jodhpur and its units at Sri Mohangarh, Kwas, Nagaur and Hanumangarh etc. in Rajasthan are running into losses for the last 5-6 years;

(b) If so, the action taken by the Government to make these units profitable and viable :

(c) whether some officers of these units are involved in malpractices and prima facie the same has been established against them;

(d) if so, the action taken by the Government against such officials; and

(e) whether the Government intend to close down these units to avoid recurring losses to the State ?

[Translation]

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SIS RAM OLA) : (a) to (e) A statement is laid on the Table of the House.

Statement

(a) The Jodhpur Mining Organisation (JMO) of Fertilizer Corporation of India Ltd. (FCI) which is located at Jodhpur is engaged in the mining of gypsum in Sri Mohangarh, Kawas and other areas in Rajasthan. Except for a marginal profit during 1991-92, Sri Mohangarh mines have incurred losses till 1995-96. The operations in the Kawas mines have been profitable since 1990-91. The loss making mines located in Hanumangarh and Nagaur were surrendered during the period from 1989 to 1994.

(b) The turnaround strategy to JMO is based on increasing its turnover and improving the operational efficiency.

(c) and (d) A preliminary enquiry has indicated a prima-facie case of procedural lapses in the contracts for the operation of Sri Mohangarh mines of FCI. The FCI management has decided to institute desciplinary proceedings against certain officials. Administrative action in regard to reallocation of the contract work has also been taken.

(e) There is no such proposal at this stage.

[English]

COL. SONA RAM CHOUDHARY : Mr. Speaker, Sir, I have got the answer to my question where the hon. Minister has accepted. . .

[Translation]

SHRI SIS RAM OLA : Please speak in Hindi.

COL. SONA RAM CHOUDHARY : I have prepared my points in English.

[English]

The hon. Minister has accepted that prior to 1996, there have been losses and for the last eight or nine months there is an improvement. I congratulate the hon. Minister for that. But I would like to bring out a very pertinent point that prior to 1996, there have been hugs losses and these losses were as a result of the malpractices and corruption in the high offices. I am sorry to point out that in the second week of July, I wrote a number of letters regarding this irregularity in my Constituency, but no action was taken except ten days back when one officer was posted out from there. There is one officer who has been a Marketing Manager in Delhi for the last twenty years and looking after the same organisation. He has not taken any action against that officer because he is the President of the Officer's Federation.

MR. SPEAKER : Please ask the question now.

COL. SONA RAM CHOUDHARY : Now, I am coming to the question. if no such action is taken, then there will be serious repercussions and I can tell you that there will be another mini urea scandal. Therefore, my question is whether these officers who have been found guilty **prima facis,** indulging in corruption and malpractices, have been suspended or removed from the position from where they cannot Influence the conduct of disciplinary proceedings, and whether the Minister is contemplating to handover this inquiry to CBI because the departmental enquiry may not yield good results.

[Translation]

SHRI SIS RAM OLA : Mr. Speaker, Sir, hon. member has suggested to hand over this case to CBI but it has not been found to be a fit case to be handed over to CBI. The official found guilty of committing irregularities, has been suspended. Nine mines under Jodhpur Mining Organisation produce gypsum. After a long gap, this year these have earned a huge profit, by January it was to the tune of Rs. 57 lakh. I hope that it will increase further by the end of March, Department has retained the ownership of mines running in profit. Earlier six of these mines were incurring losses and those had been handed over to the state Government during 1991-94. These mines are taken on lease from the State Governments and FCI pays royalty for these mines.

Mr. Speaker, Sir, I have tried my best to reply to this question.

[English]

COL. SONA RAM CHOUDHARY : The hon. Minister has said that there is a profit to the tune of Rs. 57 lakh.

MR SPEAKER : He has answered all the questions and even those which you have not asked also.

COL. SONA RAM CHOUDHARY : He has accepted that there were losses till March-April, 1996. I want to know that are those losses will March-April, 1996.

Secondly, my area is a very backward and famine-prone area. Is the hon. Minister taking some action regarding the expansion plan and activities to generate more employment avenues, having already achieved profitable and viable financial position during this financial year ?

[Translation]

SHRI SIS RAM OLA : Mr. Speaker, Sir, I feel that without taking much time I have given an apt and appropriate reply. I am unable to understand that what more the hon. Member wants to know in this regard.

[English]

SHRI RAJESH PILOT : Sir, the hon. Member is asking about expansion plan and other activities. That must be answered.

[Translation]

SHRI SIS RAM OLA : As You are aware the land from which lime is extracted, is under the jurisdication of State Government . . . *(Interruptions)* Dau Dayal ji gypsum and lime in is the same thing it is not found in Kota but in Bikaner. Why you are going in this controversy. Please listen to me . . . *(Interruptions)*

AN HON'BLE MEMBER : He is expert in duping . . .*(Interruptions)*

SHRI SIS RAM OLA : This mine was incurring losses earlier due to excess of staff. Earlier there were 300 employees in it. Now it has 200 employees and 100 post have been kept vacant in view of the inadequate work. Earlier the State Government has not given permission to supply gypsum to cement factories thus this factory was incurring loss. Now the State Government has given permission to supply gypsum to other states and under a World Bank Scheme we have supplied 60 thousand tonnes of gypsum to Uttar Pradesh last year.

MR. SPEAKER : Mr. Minister, this is not the question. Please tell as to whether there is an expansion plan or not ?

[English]

Is it yes or no ?

SHRI SIS RAM OLA : No.

MR. SPEAKER : That is good. Why are you going that long ?

[Translation]

PROF. RASA SINGH RAWAT : Hon. Mr. Speaker, Sir, through you, I would like to say that Rajasthan has huge deposits of minerals and gypsum is also found in enormous quantity. The State Government has leased out these mines to Fertilizers Corporation of India with a hope that this PSU would earn huge profit and the whole country would be benefited with its production of fertilizer and other activities. But I am very sorry to say that Fertilizer Corporation of India could not prove its worth on this standard and its Gorakhpur factory and some other factories engaged in producing fertilizer have been lying closed.

SHRI SIS RAM OLA : This is not the appropriate place to make speeches, please ask the relevant question.

PROF. RASA SINGH RAWAT : I am coming to that.

SHRI SIS RAM OLA : Gorakhpur and Jaisalmer both are quite fare . . . *(Interruptions)*

[English]

SHRI P.R. DASMUNSI : Sir, the hon. Minister should not say like that.

[Translation]

SHRI SIS RAM OLA : I am saying that it is not a relevant question.

MR. SPEAKER : Rawatji, please ask your question.

PROF. RASA SINGH RAWAT : Jodhpur Mining organisation is engaged in mining gypusm under the fertilizer corporation of India. Hon. Minister himself has admitted that a inquiry was conducted to find out reasons for losses being incurred by it for the last four or five years. I would like to know as to when this inquiry was ordered and what type of inquiry was that. I request the hon. Minister to give clarification on the 'Turn Around' policy mentioned by him. You have admitted that one official was found guilty who have been suspended. In it, this has been written- "FCI Management has taken a decision to initiate disciplinary action against some officers." Whether the guilty person has been suspended or disciplinery action has been started. These two replies are contradictory. I would like to know as to what action is being taken to make the mining operations profitable so that Government may not incurr losses in future ?

SHRI SIS RAM OLA : Mr. Speaker, Sir, it is not obligation to the State Government. We pay royalty and taxes as per the prevalent rules. We have taken those mines on lease from the state Government. As I have told earlier also that the main reason for this loss was the ban imposed by the State Government on supply of gypsum to the cement factories of states and there were problems in supplying sending gypsum out of the state. Now for the last few years State Government has given permission to sell gypsum to cement factories of the state. Thus these are earning profit. The hon. Member from Ajmer has raised that question in a haste. The hon. Member from Jaisalmer has made some complaints in writing. Departmental inquiry has been conducted into those complaints. The guilty found officer has been suspended. Disciplinary action is going on and action will be taken on the basis of findings of the report of the inquiry.

[English]

SHRI SUNIL KHAN : Mr. Speaker, Sir, may I know from the hon. Minister why the Hindustan Fertilizers of Durgapur is frequently shut down due to lack of arsenic pipes and other materials ? As a result, the production cost is increasing. Why are the steps not being taken by the Government ?

[Translation]

SHRI SIS RAM OLA : Mr. Speaker, sir, it is totally a different subject. I will reply to it when related question is asked.

Licensing Policy four Sugar Mills

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*42. SHRI AMAR PAL SINGH :
SHRI N.S.V. CHITTHAN :

Will the Minister of FOOD be pleased to state :

(a) Whether Government have revised the Licensing Policy for sugar mills;

(b) If so, the major changes introduced in the revised Licensing Policy;

(c) whether the new policy exempts now units from the levy restrictions and allows mills to sell upto 85% of their output in the free market; and

(d) the specific safeguards provided to ensure speedy payments to the cane growers ?

THE MINISTER OF FOOD AND MINISTER OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI DEVENDRA PRASAD YADAV) : (a) to (d) A statement is being placed on the Table of the House.

Statement

(a) and (b) Government have, vide Ministry of Industry, Department of Industrial Policy and Promotion Press Note No.1 (1997 series) issued on 10.1.97 revised guidelines for considering applications for industrial licences for sugar industries. A copy of the Press Note is annexed, as annexure.

(c) The licensing policy does not cover questions to exemption from levy.

(d) Does not arise.

Annexure

GOVERNMENT OF INDIA
MINISTRY OF INDUSTRY
DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION

PRESS NOTE NO.1
(1197 SERIES)

Subject : Guidelines for considering applications for industrial licenses for sugar factories

The Government of India have reviewed the Guidelines for licensing of new and expansion of existing sugar factories issued vide this Ministry's Press Note No.16 (1991) dated 8.11.91. The existing guidelines need revision in order to take into account the changes in the business scenario following economic liberalization, the need for introducing simplified and transparent procedures and the technological changes that have taken place in the sugar industry over the years. In supersession of the aforesaid